

State Power and Private Interest:
The Challenge of Mobilization Policy in the Critical Period

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In the months following the U.S. Army's disastrous defeat at the hands of the Miami, Shawnee, and Delaware Indians at the Battle of the Maumee on November 4, 1791, Congress looked for someone, or something, to blame. By May 1792, a House Select Committee tasked with investigating the defeat ended up rebuking the army's contracting system. The committee found that the war department's largely private system, administered by Secretary of War Henry Knox and Quartermaster General Samuel Hodgdon, and virtually unchanged since the close of the War of Independence, had failed the army from the moment supplies left Philadelphia for the frontier. Corruption, incompetence, and graft on the part of Knox, Hodgdon, and their cronies among Philadelphia's merchants and manufacturers had doomed Arthur St. Clair's expedition from the start. Muskets would not fire, gunpowder would not propel bullets, uniforms and tents disintegrated in the rain, pack saddles were too large, and food failed to arrive on time. Provisioning contractors, such as William Duer, had effectively made the war department their personal piggy-bank for paying off past personal debts and had paid no heed to the actual interests of the union. According to the report, only a complete change in the army's contracting system could ameliorate the baleful effects of a corrupt, private system, which had placed special interests above the well-being of America's soldiers.¹

Following the publication of the committee's first report, Knox and Hodgdon conducted a campaign to restore their reputations as faithful public servants. In doing so they helped frame a national debate that emerged during the "critical period" over the proper role of the state in supporting the production of military goods. Although Knox's lengthy rebuttal to Congress no longer survives, Hodgdon's memorial does. In it, he marshalled testimony from a number of officers and contractors to rebut the findings of the committee. By using the words of the contractors themselves in his defense, Hodgdon articulated classical liberal themes about the importance of individuals pursuing self-interest for the betterment of the whole. According to Hodgdon, only a system that respected "the eagle eye of private interest" would allow agents of

¹ For an overview of the House Select Committee on St. Clair's Defeat see George C. Chalou, "St. Clair's Defeat, 1792," in *Congress Investigates: A Documented History, 1792-1974*, Arthur M. Schlesinger, Jr., and Roger Brunson eds. (5 vols., New York: Chelsea House Publishers, 1975), 1:3-17. For the first Congressional report on the failures resulting in the Battle of the Wabash see, "Causes of the Failure of the Expedition against the Indians, in 1791, under the command of Major General St. Clair, 8 May 1792," *American State Papers: Military Affairs*, 1:36-9. On the role of the investigation in the broader expansion of Congressional authority see Leonard D. White, *The Federalists: A Study in Administrative History* (New York: The Macmillan Company, 1956), 80.

the federal government to conduct business in a large continental empire.² In contracting for St. Clair's expedition, Hodgdon insisted that market competition in the expansive republic would allow the federal government to purchase the greatest quantity of goods at the lowest possible prices. Without private contractors competing with one another to supply goods to the War Department, there would be no functioning national state. If Congress chose to scrap the existing regime and move towards a state-oriented system, perhaps one proposed by Alexander Hamilton, the republic itself would suffer.

Hodgdon's observation on the importance of private interest, in contrast with the Congressional report on St. Clair's defeat, highlights a critical intersection of two historiographical schools of thought that are not necessarily in conversation with one another: ideology and state formation. Cathy Matson and Peter Onuf's 1990 book, *A Union of Interests: Political and Economic Thought in Revolutionary America*, was published at the tail end of the republican paradigm, one of the most productive discussions in the academy.³ Largely propelled by the work of Bernard Bailyn, Gordon Wood, and J.G.A. Pocock, scholarly studies of societal and individual belief systems fundamentally reframed the way historians understood the origins, and aftermath, of the American Revolution.⁴ The contribution of Matson and Onuf's book to this discussion was their ability to synthesize the diverse trends of "classical republican, liberal, and jurisprudential traditions... to reconstruct the discourse of American *federalism*."⁵ As they demonstrated throughout *A Union of Interests*, the discourse that surrounded the ratification of the Constitution was premised upon the federalist position that economic development would go hand-in-hand with a stronger central state. The key takeaway from their work was that historians have to understand debates over political economy in the 1780s if they want to comprehend the initial drive behind, and ratification of, the U.S. Constitution.

² Memorial of Samuel Hodgdon, November 1792, *Congress Investigates*, 1:54-63.

³ Daniel T. Rogers, "Republicanism: The Career of a Concept," *Journal of American History* 79 (1992): 11-38.

⁴ Bernard Bailyn, *The Ideological Origins of the American Revolution* (Cambridge: Harvard University Press, 1967, 1992); Gordon S. Wood, *The Creation of the American Republic, 1776-1787* (Chapel Hill: University of North Carolina Press, 1969, 1998); Gordon S. Wood "Interests and Disinterestedness in the Making of the Constitution" in *Beyond Confederation: Origins of the Constitution and American National Identity*, ed. Richard R. Beeman et. al. (Chapel Hill: University of North Carolina Press, 1987), 69-109; J. G. A. Pocock, *The Machiavellian Moment: Florentine Political Thought and the Atlantic Republican Tradition* (Princeton: Princeton University Press, 1975).

⁵ Cathy Matson and Peter Onuf, *A Union of Interests: Political and Economic Thought in Revolutionary America* (Lawrence: University Press of Kansas, 1990), 2.

The second significant historiographical paradigm is that of the fiscal-military state and the formation of the federal government. The fiscal-military state formulation was originally conceived by John Brewer in order to explain Britain's divergent governmental path compared to continental European states during the "military revolution" of the sixteenth and seventeenth centuries.⁶ In essence, Britain had a strong-state because it had sophisticated means to extract taxes and secure loans, as well as a powerful navy to further the Empire's global needs. Even if the relative size of its administration paled in comparison to that of France and Spain, the British state did have strong fiscal and military capabilities. Max Edling's 2003 book, *A Revolution in Favor of Government: Origins of the U.S. Constitution and the Making of the American State* applied Brewer's formulation to the initial push for strengthening the U.S. national government in the 1780s. The object of the federalists, prior to the ratification debate, was to create a state that would have real fiscal and military powers – similar to the British model – but *also* protect the individual liberties fought for during the American Revolution.⁷ As drafted in 1787, and before the emergence of the antifederalist-federalist debate, the U.S. Constitution provided the national government with precisely these powers.

The unresolved problem of mobilization policy throughout the critical period – as highlighted by the disagreement between Samuel Hodgdon and Congress in 1792 – provides a way to address the fundamental concerns of two historical literatures that are not directly in conversation with one another. The politics of military contracting, the means by which the state actually obtained the tools necessary to do the essential job of national defense, brings together the scholarship of Matson and Onuf with that of Edling. The history of military contracting in the broader context of war making and economic development is an understudied aspect of governance in the early republic, but one that holds significant explanatory power to delineate the strengths, as well as the weaknesses, of the American national state. Throughout the early modern era, the manner in which the state obtained weapons and other matériel formed a central component of its very ability to use force. Without arms (whether bayonets in the eighteenth century or atom bombs in the twentieth), and the willingness to use them, there is no possibility

⁶ John Brewer, *The Sinews of Power: War, Money and the English State, 1688-1783* (Cambridge: Harvard University Press, 1988), xx.

⁷ Max M. Edling, *A Revolution in Favor of Government: Origins of the U.S. Constitution and the Making of the American State* (Oxford: Oxford University Press, 2003), 9-10.

for coercion.⁸ For most of the early modern era, the private contracting system had been a hallmark of international governance and prefigured the emergence of the fiscal-military state.⁹ Although public-private partnerships in military enterprise never went away, over the course of the eighteenth century the state took an ever more present role in running all aspects of military supply, from owning and managing factories to transporting goods.¹⁰ The wars of the French Revolution and Napoleon, the rise of the bureaucratic state, and the 1793 *levee en masse* finally tipped the scales towards public ownership over the means of production in most European countries.¹¹ The United States, however, largely took a different course between the Revolution and the War of 1812. During the Constitutional debate of 1787-1788 there was hardly any substantial discussion of Article I, Section 8, Clause 17, granting Congress the power to erect “forts, magazines, arsenals, dock-yards, and other needful building.” This authority, granting Congress the power to do what all states essentially did, was taken as a given by the founding generation. But, despite this Constitutional provision, the producers of war matériel in the U.S., with the significant exceptions of the national armories and the navy yards, largely remained in private hands.¹² An analysis of mobilization policy in the critical period, which lay at the nexus

⁸ Thomas C. Schelling, *Arms and Influence* (New Haven: Yale University Press, 1966, 2008), 20.

⁹ David Parrott, *The Business of War: Military Enterprise and Military Revolution in Early Modern Europe* (Cambridge: Cambridge University Press, 2012), 300-4; Gordon E. Bannerman, *Merchants and the Military in Eighteenth-Century Britain: British Army Contracts and Domestic Supply, 1739-1763* (London: Pickering & Chatto, 2008), 146-50; Kenneth Chase, *Firearms: A Global History to 1700* (Cambridge: Cambridge University Press, 2003), 199-200.

¹⁰ O. F. G. Hogg, *The Royal Arsenal: Its Background, Origin and Subsequent History* (2 vols., London: Oxford University Press, 1963), 1:493; H. C. Tomlinson, *Guns and Government: The Ordnance Office under the later Stuarts* (London: Royal Historical Society, 1979), 218-21; William H. McNeill, *The Pursuit of Power: Technology, Armed Force, and Society since A.D. 1000* (Chicago: The University of Chicago Press, 1982), ch. 5; Jenny West, *Gunpowder, Government and War in the Mid-Eighteenth Century* (London: Royal Historical Society, 1991); Gareth Cole, *Arming the Royal Navy, 1793-1815: The Office of Ordnance and the State* (London: Pickering & Chatto, 2012), 69-70.

¹¹ Howard G. Brown, *War, Revolution, and the Bureaucratic State: Politics and Army Administration in France, 1791-1799* (Oxford: Clarendon Press, 1995); Ken Alder, *Engineering the Revolution: Arms & Enlightenment in France, 1763-1815* (Chicago: University of Chicago Press, 1997), 255-7; David A. Bell, *The First Total War: Napoleon's Europe and the Birth of Warfare as We Know It* (Boston: Houghton Mifflin Co., 2007), 148-9. For the role of states organizing technology transfers through armaments see William Manchester, *The Arms of Krupp, 1587-1968* (New York: Bantam Books, 1968), 149-51; Russell I. Fries, “British Response to the American System: The Case of the Small-Arms Industry after 1850,” *Technology and Culture* 16 (July 1975): 377-403; Joseph Bradley, *Guns for the Tsar: American Technology and the Small Arms Industry in Nineteenth-Century Russia* (Dekalb: Northern Illinois University Press, 1990), 150-6; Keith Krause, *Arms and the State: Patterns of Military Production and Trade* (Cambridge: Cambridge University Press, 1992), 54-64; Jonathan A. Grant, *Rulers, Guns, and Money: The Global Arms Trade in the Age of Imperialism* (Cambridge: Harvard University Press, 2007), 15-6.

¹² Andrew J. B. Fagal, “American Arms Manufacturing and the Onset of the War of 1812,” *The New England Quarterly* 87 (September 2014): 526-37 and Fagal, “Terror Weapons in the Naval War of 1812,” *New York History* 94 (Summer/Fall 2013): 221-40; Robert Martello, *Midnight Ride, Industrial Dawn: Paul Revere and the Growth of American Enterprise* (Baltimore: The Johns Hopkins University Press, 2010), ch. 6; Merrett Roe Smith, *Harpers*

of economic thinking *and* state formation, can delineate important differences that emerged among the country's policymakers over the best methods to make the American state actually work.

The Nationalists' View for Military Production and the State

The great lesson coming out the War of Independence was that dependence upon foreign sources of arms and munitions undermined national self-determination. Officers who had served in the Continental Army were no strangers to supply shortages. Access to arms and munitions had played a critical role in the war right from its very beginning when General Gage ordered troops to Concord.¹³ Even though the colonial militias were generally well armed, especially in New England, the colonies did not have the industrial infrastructure to rapidly replace losses and arm soldiers with weapons based upon a uniform pattern, nor produce in enough quantities the gunpowder necessary for a large conflict.¹⁴ The reality of this situation was first felt at the 1775 Battle of Bunker Hill when the New England militia's insufficient supply of gunpowder and lack of weapons mounting bayonets forced them to cede the field. The situation generally did not improve from there on out. During the Siege of Boston, for example, Washington was forced to appeal to local governors to provide his army with arms and munitions. But, as the governors replied, there was nothing to spare for the Continental Army and no means for procuring more.¹⁵ Despite major attempts by Congress and the state governments to alleviate the situation by

Ferry Armory and the New Technology: The Challenge of Change (Ithaca: Cornell University Press, 1977), 325; Mark R. Wilson, *The Business of Civil War: Military Mobilization and the State, 1861-1865* (Baltimore: The Johns Hopkins University Press, 2006), 72-3.

¹³ David Hackett Fischer, *Paul Revere's Ride* (New York: Oxford University Press, 1994), 43; Peter Charles Hoffer, *Prelude to Revolution: The Salem Gunpowder Raid of 1775* (Baltimore: The Johns Hopkins University Press, 2013); J. L. Bell, *The Road to Concord: How Four Stolen Cannon Ignited the Revolutionary War* (Yardley: Westholme, 2016).

¹⁴ Robert H. Churchill, "Gun Ownership in Early America: A Survey of Manuscript Militia Returns," *WMQ* 60 (2003): 626; Kevin M. Sweeney, "Firearms, Militias, and the Second Amendment," in *The Second Amendment on Trial: Critical Essays on District of Columbia v. Heller*, Saul Cornell and Nathan Kozuskanich eds. (Amherst: University of Massachusetts Press, 2013), 310-82.

¹⁵ Jonathan Trumbull Sr. to George Washington, January 1, 1776 *PGW: Rev. War Ser.*, 3:8. For Trumbull's further requests to Washington for gunlocks to repair damaged musket barrels see Jonathan Trumbull Sr. to George Washington, January 22, 1776 *PGW: Rev. War Ser.*, 3:168-169; New Hampshire General Court to George Washington, January 17, 1776 *PGW: Rev. War Ser.*, 3:122; Nicholas Cooke to George Washington, January 25, 1776 *PGW: Rev. War Ser.*, 3:185. For Rhode Island's laws announcing the enumeration of the colony's publically and privately owned firearms see *Records of the Colony of Rhode Island and Providence Plantations in New England* (Providence: A. Crawford Greene, 1862) 7:352; for Washington's letter to Cooke see George Washington to Nicholas Cooke, January 16, 1776 *PGW: Rev. War Ser.*, 3:104-105.

promoting domestic industry, the Continental Army faced periodic shortages of essential supplies until French intervention in 1778, and even then continued to face shortages as the country's fiscal situation collapsed.¹⁶ The end result of this experience among military figures such as Washington and Hamilton showed them that only the national government was competent to produce military goods. During the 1780s these nationalist leaders all grappled with ways to solve the problem of how to get weapons produced, and they arrived at similar answers.

The initial establishment and operations of the state-run Fredericksburg Manufactory of Arms in Virginia exemplifies why Washington, and other nationalists, came to the conclusion that the state needed to own and operate the production of military goods. While some states such as Connecticut and Pennsylvania had adopted mixed public-private arms acquisition systems during the Revolution, the Commonwealth of Virginia initially followed the European model of state formation by erecting a state-run arms factory in Fredericksburg and asserting control over the ammunition supply.¹⁷ In August 1775, four months after Governor Dunmore had successfully raided the Williamsburg Armory, the Third Virginia Convention instructed the Committee of Safety to erect a magazine in a safe location for the storage of arms and munitions.¹⁸ Soon thereafter, the Virginia Convention allocated an additional £2,500 towards the construction of “a manufactory of arms.”¹⁹

Washington, encamped with the Continental Army outside of Boston, was glad to hear that the Virginia Convention “had come to resolutions of Arming the People, and preparing vigorously for the defence of the Colony.”²⁰ In this letter Washington first articulated the relationship between state directed arms manufacture and the future of American liberties: one depended upon the other. Washington hoped that the Fredericksburg Manufactory of Arms would soon produce enough weapons so that American militias and the Continental Army could

¹⁶ E. James Ferguson, *The Power of the Purse: A History of American Public Finance, 1776-1790* (Chapel Hill: University of North Carolina Press, 1961); E. Wayne Carp, *To Starve the Army at Pleasure: Continental Army Administration and American Political Culture, 1775-1783* (Chapel Hill: The University of North Carolina Press, 1984).

¹⁷ Donald E. Reynolds, “Ammunition Supply in Revolutionary Virginia,” *The Virginia Magazine of History and Biography* 73 (Jan., 1965), 66.

¹⁸ “Proceedings of Thirty-second Day of Session,” Third Virginia Convention, August 25, 1775, *Revolutionary Virginia The Road to Independence*, Robert L. Scribner and Brent Tarter eds., (7 vols., Charlottesville: University Press of Virginia, 1977), 3:487, 503-504.

¹⁹ *The Statutes at Large; Being a Collection of All the Laws of Virginia, from the First Session of the Legislature, in the year 1619* William Waller Hening ed. (13 vols., Richmond: J. & G. Cochran, 1821), 9:71-72.

²⁰ George Washington to John Augustine Washington, October 13, 1775, *PGW: Rev. War Ser.*, 2:160-162.

more effectually resist the ministerial troops. But, this state-run enterprise was slow to produce new weapons for the continental cause. In September 1775, the *Virginia Gazette* advertised on behalf of the armory for gunsmiths and other skilled workers as “Good locksmiths are much wanting” in the colony.²¹ In the meantime, the Committee of Safety had to offer individuals above-market rates for their personal rifles and fowling pieces in order to equip the Virginia Line and militia.²² Over the course of the next several months Fielding Lewis, Washington’s brother-in-law and the superintendent of the factory, kept the general apprised of the slow, but steady, progress in producing arms.²³ The armory’s main breakthrough came when Thomas Harris, a skilled gunsmith, escaped from Lord Dunmore’s fleet in the Chesapeake and offered his services to Virginia. By the end of 1775, Harris had overseen the construction of a mill for “boreing grinding and polishing the work” and instructed “Common blacksmiths In the aforesaid branches.”²⁴ Harris’ intervention played an essential role in Virginia initial success in meeting the matériel needs of the army. By April 1776, George Mason reported to Washington that despite the fact that Virginia’s new regiments lacked weapons the Fredericksburg Manufactory would soon furnish the supply.²⁵ Over the course of the next several years, the factory employed approximately 60 laborers of various skills and produced 20 “excellent” muskets a week, although the lack of good water power drove up labor costs.²⁶ The Fredericksburg Manufactory struggled periodically throughout the war, but its success in producing arms demonstrated to Washington that the state was fully competent to run, and manage, military production.²⁷

Despite the efforts of officials at the continental, state, and local levels to develop the United States’ military industry during the War of Independence, foreign supplies were essential for prosecuting the war against Great Britain. Foreign involvement in supplying patriot forces

²¹ *Virginia Gazette* [Pinkney], September 21, 1775.

²² Gill Jr., *The Gunsmith in Colonial Virginia*, 34.

²³ Fielding Lewis to George Washington, November 14, 1775 *PGW: Rev. War Ser.*, 2:373; Fielding Lewis to George Washington, February 4, 1776 *PGW: Rev. War Ser.*, 3:246; Fielding Lewis to George Washington, March 6, 1776 *PGW: Rev. War Ser.*, 3:419.

²⁴ Thomas Harris to Thomas Jefferson, September 7, 1805, Library of Congress, Papers of Thomas Jefferson.

²⁵ George Mason to Washington, 2 April 1776, *PGW: Rev. War Ser.*, 4:18.

²⁶ Fred Shelley ed., “The Journal of Ebenezer Hazard in Virginia, 1777” *VMHB* 62 (1954): 404.

²⁷ In contrast to the structural economic problems faced by the State of Virginia during its mobilization for war, Michael McDonnell has emphasized the importance of class conflict within Virginia to explain problems of mobilization; see, Michael A. McDonnell, “Popular Mobilization and Political Culture in Revolutionary Virginia: The Failure of the Minutemen and the Revolution from Below,” *The Journal of American History* 85 (Dec., 1998), 946-981.

during the American Revolution began almost at its beginning. In 1775, merchants who sought an exemption to the continental export embargo sailed to the French and Dutch West Indian colonies to exchange American foodstuffs for European munitions.²⁸ These regions, generally off-limits to American merchants under the Navigation Acts, offered a lucrative incentive for merchants willing to take the risk of interception by the Royal Navy. Once France agreed to secretly aid the American revolutionaries, supplies poured into the United States in greater quantities than could possibly be produced in the United States. In February 1777, for example, Silas Deane forwarded 200,000 lbs. of gunpowder from France to the American agent on Martinique. That same year over 60,000 French muskets (of at least 120,000 total small arms imported over the course of the war) arrived in American ports – a far greater quantity than any that could be produced in the United States in the 1770s.²⁹ As the bettering American supply situation in 1778 demonstrated, foreign military hardware was essential for keeping the Continental Army in the field after the Valley Forge winter.³⁰

At the termination of hostilities in 1783, American political and military leaders were faced with a conundrum: what actions should the Congress take to promote military industry during peacetime? French intervention had been critical for supplying the Continental Army and in the closing years of the war the industrial enterprises still run by the states had all shut down as cost-savings measures. In this void, a series of military and political leaders – all associated with the nationalist school – offered a solution. Plans authored by George Washington, Alexander Hamilton, Henry Knox, Benjamin Lincoln, and Baron von Steuben all encouraged the Continental Congress to foster the production of war matériel. In a memorandum to Congress before the termination of hostilities, Lincoln stressed the crucial role that would be played by manufacturing in the peacetime establishment of the United States army. According to Lincoln,

²⁸ J. Franklin Jameson, “St. Eustatius in the American Revolution,” *The American Historical Review* 8 (1902): 683-708; Victor Enthoven, “That Abominable Nest of Pirates”: St. Eustatius and the North Americans, 1680-1780,” *Early American Studies* 10 (2012): 239-301; Thomas P. Abernethy, “Commercial Activities of Silas Deane in France,” *The American Historical Review* 39 (1934): 477; Margaret L. Brown, “William Bingham, Agent of the Continental Congress in Martinique,” *PMHB* 61 (1937): 56; Paul Walden Bamford, “France and the American Market in Naval Timber and Masts, 1776-1786,” *The Journal of Economic History* 12 (1952): 21-34; Brian N. Morton and Donald C. Spinelli, *Beaumarchais and the American Revolution* (Lanham: Lexington Books, 2003), 41-4.

²⁹ George D. Moller, *American Military Shoulder Arms: Colonial and Revolutionary War Arms* (Niwot: University Press of Colorado, 1993), 484.

³⁰ William Heath to Washington, Dec. 7, 1777, *PGW: Rev. War Ser.*, 12:569-70; Heath to Washington, Jan. 13, 1778, *PGW: Rev. War Ser.*, 13:250.

“The modes which shall be adopted to complete the magazines with a full supply of stores – and the manner of keeping up the supply will, in my opinion, mark the future character of the new Empire.”³¹ Relying on France to supply weapons in the future was foolish as “It would be idle for a people to talk of Independence who were indebted for the means of their existence to any nation on Earth – since, in that case, they would hold their freedom on the uncertain tenure of the pacific disposition of such a power.”³² In Lincoln’s estimation, state sovereignty was predicated upon military preparedness, and military preparedness was determined by stockpiles of arms and munitions and the capacity to manufacture more.

Reacting to Lincoln’s memorandum, among the first problems that Congress tackled after the Treaty of Paris was what to do regarding the peacetime military establishment. Alexander Hamilton, chairing the congressional committee tasked with finding an answer to this problem, sought advice from Washington, Lincoln, and others on what to include in his report.³³ Washington’s reply, the 1783 “Sentiments on a Peace Establishment,” has long been a fixture of scholarship on the early U.S. military, and has principally been used to show how militia reform and manpower mobilization were key elements of the federalist state-building program.³⁴ Unremarked upon in the historiography is the extent to which Washington linked economic development to the health of the state. Washington laid out four goals in his report: a standing army to protect the frontier, a well-organized militia, arsenals to store military goods, and military academies to train engineers, artilleryists, and provide artisanal training for “Manufactories of some kinds of Military Stores.” Washington’s goals not only prescribed how the military forces should be composed, but he also noted that the national government had a vested interest in manufacturing ample supplies of war matériel.

³¹ Benjamin Lincoln, Memorandum regarding Arsenals, March 3, 1783, *Papers of the Continental Congress*, microfilm edition, reel 45, item 38, image 289.

³² Lincoln, Memorandum, March 3, 1783 *PCC* r45, i38, 289-290.

³³ Hamilton to Washington, 8 April 1783, *The Papers of Alexander Hamilton*, Harold C. Syrett ed. (27 vols., New York: Columbia University Press, 1961-87), 3:317-21 [hereafter *PAH*]; Washington to Hamilton, 16 April 1783, *PAH*, 3:329-31; Washington to Hamilton, 2 May 1783, *PAH*, 3: 346-7; Lincoln to Hamilton, May 1783, *PAH*, 26:438-443.

³⁴ Lawrence D. Cress, *Citizens in Arms: The Army and the Militia in American Society to the War of 1812* (Chapel Hill: The University of North Carolina Press, 1982), 84; Edling, *A Revolution in Favor of Government*, 142-3. For the full text of Washington’s plan see “Sentiments on a Peace Establishment,” *The Writings of George Washington*, John C. Fitzpatrick ed. (39 vols., Washington: Government Printing Office, 1931-1944), 26:374-98.

Perhaps most importantly, Washington's fourth recommendation demonstrated his belief that the future of the United States was tied to its manufacturing capacity: "The Establishment of Military Academies and Manufactories, as the means of preserving that knowledge and being possessed of those Warlike Stores, which are essential to the support of the Sovereignty and Independence of the United States."³⁵ For Washington, America's very *sovereignty* and *independence* was predicated on a military establishment that produced its own war matériel. Unlike Lincoln's ardent opposition to importations, Washington held out that arms and munitions from Europe could be preferable in the short-run as the country lacked the fiscal and military institutions necessary to encourage domestic manufactures.³⁶ Realizing the financial plight of the republic, Washington knew that Robert Morris and the Continental Congress could, and would, quash any military plans that were not immediately necessary for maintaining independence. But, these manufacturers were still necessary to the future of the republic:

As to Manufactories and Elaboratories it is my opinion that if we should not be able to go largely into the business at present, we should nevertheless have a reference to such establishments hereafter, and in the mean time that we ought to have such works carried on, wherever our principal Arsenals may be fixed, as will not only be sufficient to repair and keep in good order the Arms, Artillery, Stores &c of the Post, but shall also extend to Founderies and some other essential matters.³⁷

While it was not financially feasible for the state to establish its own domestic manufacturers of military wares in the short-run, the long-term "reference to such establishments" of these works was of great importance to the future of the union.

If Washington offered a broad overview of the necessity of arsenals and armories, Hamilton took that plan and radically expanded it to present an all-encompassing, comprehensive, vision for state-run military manufacturing.³⁸ Like Lincoln and Washington, Hamilton also emphasized the importance of war matériel for the security of the republic. "Every country," he explained, "ought to endeavor to have within itself all the means essential to its own preservation." Congress should therefore endeavor to set up foundries, armories, and gunpowder mills as well as stockpile goods at strategically located arsenals. Additionally, Congress should establish a Corps of Artificers to oversee and staff these facilities. Far from mere enlisted

³⁵ "Sentiments," *WGW*, 26:396.

³⁶ *Ibid.*, 26:396.

³⁷ *Ibid.*, 26:397-398.

³⁸ "Continental Congress Report on a Military Peace Establishment," 18 June 1783, *PAH*: 3:378-97.

positions, the Corps of Artificers was an expansive national workforce. Each arsenal would contain master brass and iron founders, gunsmiths, powder makers, engravers, cutlers, blacksmiths, locksmiths, carpenters, wheelwrights, brick makers, masons, potters, tanners and saddlers – not to mention over 180 journeymen and apprentices at each location – all serving as enlisted men and subject to military discipline. This highly skilled national workforce could then instruct common soldiers on how to produce weapons at a cheaper price to the public than either importation or contracts with private suppliers would allow. Because Hamilton believed that the market for military goods was fickle, he instead envisioned a supply produced by a literal army of manufacturers.

The financial situation of the United States following the Revolutionary War meant that Hamilton's report was effectively dead on arrival. The collapse of paper currency in 1779 strained Continental finances, and the inability to tax at a national level only compounded the problem. To restore the United States to a firm fiscal footing and pay for the national arsenals and the Corps of Artificers, Hamilton and other nationalists championed a tariff that would fund the government via a 5% ad valorem tax on imported goods.³⁹ The tariff failed in two subsequent years when Rhode Island, and then New York, refused their assent to the tax. Far from spurring on a state-run system of industry, superintendent of finance Robert Morris ordered the sale of military stores at a loss on the open market just to raise funds for the national government.⁴⁰ Hamilton's vision would go nowhere as long as Congress lacked the power to tax.

The U.S. Constitution addressed the concerns of the nationalists by providing the United States with the institutional framework for a fiscal-military state. The fiscal aspects of the compact were quite clear: in 1789 Congress passed a tariff to fund the government and to begin the servicing of the national debt as the nationalists had wanted in the early 1780s. Other than adopting the Confederation Army and establishing a department of war, the path forward on the military side of the fiscal-military ledger was less clear. At the opening of the second session of the First Congress in January 1790, Washington asked the assembled representatives to consider

³⁹ For a full accounting of the national debate over the tariff in 1783, see Roger H. Brown, *Redeeming the Republic: Federalists, Taxation, and the Origins of the Constitution* (Baltimore: The Johns Hopkins University Press, 1993), 22-31.

⁴⁰ Ferguson, *Power of the Purse*, 129; Nathaniel Greene to Robert Morris, July 11, 1783, *The Papers of Nathaniel Greene*, 13:59; Nathaniel Greene to Benjamin Lincoln, August 2, 1783, *The Papers of Nathaniel Greene*, 13:79.

measures that would “promote such manufactories, as tend to render [the U.S.] independent on others, for essential... military supplies.”⁴¹ The next day the House asked Treasury Secretary Alexander Hamilton to prepare a report on how to render the United States self-sufficient in the production of war matériel.⁴² This request would ultimately lead to Hamilton’s *Report on Manufactures*, the third of his major policy papers. While Hamilton’s various *Reports on Public Credit* laid his fiscal program for the United States, the *Report on Manufactures* spelled out the treasury secretary’s plan to establish state-run military industry.⁴³

Merchants of Death: Thomas Jefferson and Tench Coxe

The nationalists’ view towards state-run military production was not the only school of thought to emerge out of the American Revolution. The countervailing view to the European model of government-owned production facilities was most forcefully expressed by Thomas Jefferson and Tench Coxe during the critical period. While nationalists like Washington, Hamilton, and Lincoln all argued for arsenals run by the government (and even a militarized labor force in the case of Hamilton), Jefferson and Coxe were informed by a liberal political economy that preferred market based solutions to problems of political economy. In their view

⁴¹ “To the United States Senate and House of Representatives,” 8 January 1790, *PGW: Pres. Ser.*, 4:544.

⁴² “House of Representatives Journal,” *Documentary History of the First Federal Congress of the United States of America*, Linda Grant De Pauw ed. (Baltimore: Johns Hopkins University Press, 1977), 9:265.

⁴³ Hamilton’s *Report on Manufactures* holds a significant, and contested, place in the historiography on the Early Republic and the history of American economic thought. The principal question at stake for this scholarship regards the extent of protectionism versus free trade in Alexander Hamilton’s report. Curtis P. Nettels, Jacob E. Cooke, Drew McCoy, Keiji Tajima, Doron Ben-Atar and Songho Ha all present Hamilton’s report as one which was fundamentally protectionist in its political economy towards American manufactures: Curtis P. Nettels, *The Emergence of a National Economy, 1775-1815* (New York: Holt, Rinehart and Winston, 1962), 106-108; Jacob E. Cooke, “Tench Coxe, Alexander Hamilton, and the Encouragement of American Manufactures,” *The William and Mary Quarterly* 32 (1975): 369-392; Drew McCoy, *The Elusive Republic: Political Economy in Jeffersonian America* (Chapel Hill: University of North Carolina Press, 1980), 148-165; Keiji Tajima, “Alexander Hamilton and the Encouragement of Manufactures: An Interpretation of the Hamiltonian System” *The Japanese Journal of American Studies* 2 (1985): 127-155; Doron Ben-Atar, “Alexander Hamilton’s Alternative: Technology Piracy and the Report on Manufactures” *The William and Mary Quarterly 3rd Ser.* 52 (1995): 389-414; Songho Ha, *The Rise and Fall of the American System: Nationalism and the Development of the American Economy, 1790-1837* (London: Pickering & Chatto, 2009), 18-19. The contrasting view, that Hamilton’s report was primarily designed to raise revenue can be found in William Appleman Williams, “The Age of Mercantilism: An Interpretation of the American Political Economy, 1763 to 1828,” *WMQ* 15 (Oct., 1958): 419-437; John R. Nelson, Jr., *Liberty and Property: Political Economy and Policymaking in the New Nation, 1789-1812* (Baltimore: The Johns Hopkins University Press, 1987), 37-51; Douglas A. Irwin, “The Aftermath of Hamilton’s ‘Report on Manufactures’” *The Journal of Economic History* 64 (2004): 800-821; Lawrence Peskin, “How the Republicans Learned to Love Manufacturing: The First Parties and the ‘New Economy,’” *The Journal of the Early Republic*, 22 (Summer, 2002), 235-237; Andrew Shankman, “A New Thing on Earth”: Alexander Hamilton, Pro-Manufacturing Republicans, and the Democratization of American Political Economy,” *The Journal of the Early Republic* 23 (Autumn, 2003), 323-326.

the continental and state governments could create a market for military arms through stockpiling at arsenals and individual mandates for militiamen to procure their own weapons. The best solution, in lieu of foreign imports, was to encourage private producers to meet the needs of the state by competing for lucrative contracts and perhaps offering a measure of economic protection in the form of tariffs for the producers of military goods – the central exception within Adam Smith’s economic recommendations. For both men, the experience of the Revolution shaped their view on the proper political economy of war.

If the Fredericksburg Manufactory of Arms convinced Washington to support state-run producers early in the war, Jefferson’s experience led him the exact opposite conclusion. Like Washington, Jefferson believed that the manufacture of weapons was central to the process of revolution and state formation. In a 1779 letter, Jefferson reflected that “The endeavours of five years aided with some internal manufactures have not yet procured a tolerable supply of arms. To make them within ourselves then as well as all the other implements of war, is as necessary as to make our bread within ourselves.”⁴⁴ At peak capacity, the Fredericksburg Manufactory only produced around 1,000 muskets per year, and the 1779 fiscal crisis brought about by inflationary currency practices soon brought the factory’s productivity to an end. Because the managers and laborers were paid fixed-wages in depreciated currency, many chose not to work at all.⁴⁵ During the 1781 British invasion of Virginia, the overseer informed Jefferson that unless he was supplied with real money to pay what laborers remained, the factory could not produce any more firearms.⁴⁶ At the end 1781, Virginian authorities had largely concluded that the Fredericksburg Manufactory had failed, and within a year closed it for good.⁴⁷

If state-run arms factories presented Jefferson with a governing problem, privately owned industries offered a solution. In 1776, seeing an opportunity for profit and patriotism, James Hunter expanded his iron works in Falmouth, Virginia, to include a “Manufactory of Small

⁴⁴ Thomas Jefferson to Benjamin Harrison, October 30, 1779, *PTJ*, 3:126.

⁴⁵ For the problems within the Fredericksburg Manufactory of Arms during Jefferson’s tenure as governor see George Muter to Thomas Jefferson, November 16, 1780, *PTJ*, 4:119; Baron von Steuben to Thomas Jefferson, January 9, 1781, *PTJ*, 4:327-328; Benjamin Harrison to Thomas Jefferson, January 4, 1781, *PTJ*, 4:304-305; Charles Dick to Thomas Jefferson, January 23, 1781, *PTJ*, 4:430-431; Thomas Jefferson to Charles Dick, February 7, 1781, *PTJ*, 4:549-550; Charles Dick to Thomas Jefferson, February 26, 1781, *PTJ*, 5:11; Charles Dick to Thomas Jefferson, April 5, 1781, *PTJ*, 5:355.

⁴⁶ Charles Dick to Thomas Jefferson, April 21, 1781, *PTJ*, 5:517.

⁴⁷ Gill Jr., *The Gunsmith in Colonial Virginia*, 41.

Arms” to compete for government contracts.⁴⁸ Within a year, Hunter’s iron works took on the appearance of a “small Village,” with a number of manufacturing buildings and workers houses along a strong mill race with “Plenty of Water” (as compared to the Fredericksburg Manufactory’s relatively poor situation further down the river).⁴⁹ There, Hunter produced a variety of weapons and naval stores, in addition to barrels, shoes, and leather goods for the State of Virginia, the Continental Congress, and the private market. Compared to the state-run factory, Hunter’s works had several advantages. Through separate contracts, he could raise prices and wages to better respond to the inflationary pressures caused by the emission of Continental currency. By offering wages pegged to inflation, Hunter had an advantage in attracting skilled labor – often at the expense of the nearby state-run armory. Hunter’s factory did face one critical problem in the production of weapons: his workers, unlike those at the armory, were not exempted from serving in the Virginia militia.⁵⁰ During the British invasions of Virginia, Hunter’s workers were nearly all drafted into the state’s armed forces, stopping the production of cavalry swords and muskets. Unlike the problems of production at Fredericksburg relating to state-finances, Hunter offered Virginia a solution. As long as his workers were “returned on furlough from the Army” he could fulfil his contracts with the state.⁵¹ But, already anticipating Hunter’s needs, the Virginia Assembly passed an act exempting artificers employed at iron works from serving in the militia before his letter even arrived on Jefferson’s desk.⁵² Upon obtaining legislative relief, Hunter’s iron works were soon back in blast and producing weapons for the state.

Jefferson’s preference for private firms was only strengthened during his diplomatic mission to France in the 1780s. Although he observed American politics from afar, Jefferson remained invested in national and state debates over the proper relationship of government and industrial development. In July 1785, Jefferson toured the workshop of Honoré Blanc, located in the former dungeon of a Parisian prison. Blanc was a master armorer at the Charleville and St. Etienne French national arsenals, where he tried to implement the concept of interchangeable

⁴⁸ Gill Jr., *The Gunsmith in Colonial Virginia*, 35.

⁴⁹ Shelley ed., “The Journal of Ebenezer Hazard in Virginia, 1777,” 417-8.

⁵⁰ James Hunter to Thomas Jefferson, Jan., 25, 1781, *PTJ*, 4:448.

⁵¹ James Hunter to Thomas Jefferson, May 30, 1781, *PTJ*, 6:41.

⁵² “An act to exempt artificers employed at iron works from militia duty,” Hening, *Statutes at Large*, 10:397.

parts in arms manufacturing.⁵³ By the 1780s, Blanc had been mostly successful in his pursuit of interchangeability in the production of gunlocks, even if the government of Louis XVI hesitated to adopt his policies due to the costs involved in retooling the existing French arsenals.⁵⁴ The technological advances of Blanc's workshop stunned Jefferson when he visited. Jefferson wrote to John Jay, the Secretary of Foreign Affairs for the Continental Congress, about the possibility that interchangeability might reshape the arms manufacturing system in the United States.⁵⁵ Jefferson enthusiastically reported that he was able to reassemble a single gunlock given the disassembled parts of fifty different locks. The advantages to standardization and thus interchangeability were "evident." Not only would repairs to arms be easy and cut down on the number of skilled artificers needed in the field, but it could reduce the cost of arms to government as well. Blanc estimated that his techniques would allow him "to furnish the musket two livres cheaper than the common price."⁵⁶ By offering incentives to private manufacturers to immigrate to the United States with their advanced skills and knowledge, Jefferson hoped that he could reduce the domestic price of arms, fulfilling his goal of achieving a fully armed populace.

The cost problems associated with acquiring arms and munitions were much on Jefferson's mind in the summer of 1785 after touring Blanc's workshop. That March, Governor Patrick Henry wrote to Jefferson with the Virginia Council's instructions to procure "ten tons of Musket powder, two hundred thousand Gun flints, and one hundred ream of Musket cartridge paper," and to purchase from France as many stands of arms as possible with the remaining funds.⁵⁷ Jefferson would have to fulfil the role of arms merchant in addition to his diplomatic duties. Henry's letter reflected the contemporary fiscal crisis and budgetary constraints gripping the various United States, including that of Virginia. In the aftermath of the Revolution some states, including Virginia, and the Continental Congress took the initiative to retire their war debts.⁵⁸ Henry laid out the case to Jefferson that "the pressure of our Debts and the Circumstances of our Country seem to forbid for the present" any attempts to encourage the

⁵³ Ken Adler, *Engineering the Revolution: Arms & Enlightenment in France, 1763-1815* (Chicago: The University of Chicago Press, 1997), 223-224.

⁵⁴ Adler, *Engineering the Revolution*, 3.

⁵⁵ Thomas Jefferson to John Jay, August 30, 1785, *PTJ*, 8:455.

⁵⁶ Jefferson to Jay, August 30, 1785, *PTJ*, 8:455.

⁵⁷ Patrick Henry to Thomas Jefferson, March 30, 1785, *PTJ*, 8:68.

⁵⁸ Ferguson, *The Power of the Purse*, 206-207; Farley Grubb, "State Redemption of the Continental Dollar, 1779-90," *WMQ*, 69 (Jan., 2012), 147-180.

domestic manufacture of arms. Henry was hopeful that “the great Business of laying up arms and military Stores will be invariably prosecuted.” But, in the meantime, Virginia would have to rely upon importations of French arms and other war matériel because such imports were cheaper than goods supplied domestically.

Even after independence the state of Virginia continued to act on the belief that it needed to be prepared for the next potential conflict with a foreign power. Jefferson agreed that “Nothing can be more wise than this determination to arm our people as it is impossible to say when our neighbors may think proper to give them exercise.”⁵⁹ He went on, “I suppose that the establishing a manufacture of arms to go hand in hand with the purchase of them from hence is at present opposed by good reasons. This alone would make us independent for an article essential to our preservation; and workmen could probably be either got here, or drawn from England to be embarked hence.”⁶⁰ Even if Virginia imported some arms from Europe, only by manufacturing arms at home could the state be secure in its independence. But, Henry replied, “Were it possible to establish Manufactures of Arms here in a short Time, something of that Kind would have been done. But from the high price of Labor, the Scarcity of Money, and other Difficultys it was thought best to purchase Arms from abroad for the present.”⁶¹ With few qualified gunsmiths and locksmiths in the state, coupled with the precarious nature of finances following the Revolutionary War, even relatively powerful Virginia could not readily promote its own domestic arms manufacturers. Instead, the state of Virginia would have to rely upon Europe for these essential weapons of war.

Henry’s call for arms imports in lieu of supporting domestic manufacturers flew in the face of Jefferson’s experience during the Revolutionary War. The experience of the British naval blockade and the lack of a fully-formed arms industry led Jefferson to proclaim that the production of arms was “as necessary as to make our bread within ourselves.”⁶² Yeoman may have been the ideal citizen in Jefferson’s agrarian republic, but these farmers required cold steel produced in their own country. In his *Notes on the State of Virginia* Jefferson reflected that “in the lower parts of the country they are entirely disarmed. In the middle country a fourth or fifth part of them may have such firelocks as they had provided to destroy the noxious animals which

⁵⁹ Thomas Jefferson to the Governor of Virginia, June 16, 1785, *PTJ*, 8:213.

⁶⁰ Jefferson to the Governor of Virginia, June 16, 1785, *PTJ*, 8:213.

⁶¹ Patrick Henry to Thomas Jefferson, September 10, 1785, *PTJ*, 8:507.

⁶² Thomas Jefferson to Benjamin Harrison, October 30, 1779, *PTJ*, 3:126.

infest their farms; and on the western side of the Blue ridge they are generally armed with rifles.”⁶³ Jefferson’s hope was that Honoré Blanc’s innovations in replaceable parts coupled with private interest could solve Virginia’s weapons acquisition problem. In much the same language as in his 1785 letter to John Jay, Jefferson stressed to Patrick Henry the importance of interchangeable parts and mechanized production.⁶⁴ The uniform nature of the parts would allow the price of each individual musket to fall to such a price so that the State of Virginia could successfully undertake plans to spur the domestic manufacture of arms. Unfortunately for the implementation of Jefferson’s preferred policies, he would have to wait until his presidential administration to implement them.

Tench Coxe, a former loyalist, Philadelphia merchant, and promoter of domestic manufactures, largely came to the same conclusions as Thomas Jefferson regarding the United States’ weapons acquisition problem in the critical period, even if it was for entirely different reasons. As a merchant, Coxe carefully cultivated domestic suppliers within the northern and middle states to provide goods for trade with the southern states and Europe.⁶⁵ During the 1780s a lucrative aspect of his business came from arming various state militias. Virginia happened to be one of the states interested in Coxe’s firearms as it reformed its militia law in 1784.⁶⁶ James Madison, who knew Coxe from Philadelphia social circles, informed Governor Randolph that Coxe’s firm could potentially arm the state of Virginia. Madison knew that Coxe had procured surplus arms from the Rhode Island firm of Clarke and Nightingale, and had recently shipped them to the Richmond firm of Harris and Nickols for distribution. Due to the irregularity of the arms, Harris and Nickols were unable to sell them to the State of Virginia, which required a uniform caliber. But, because the new law in Virginia mandated that every militiaman supply himself with a stand of arms, regardless of type, Harris and Nickols thought that Coxe’s arms “will sell in the Spring for a guinea a stand... [Virginians] will not be able to supply themselves elsewhere.”⁶⁷ Virginia’s arms mandate thus gave Coxe a sizeable stake in the state’s market.

⁶³ Thomas Jefferson, *Notes on the State of Virginia* in Merrill D. Peterson ed., *The Portable Thomas Jefferson* (New York: Penguin Books, 1975), 129. [CITE PEDEN’S COPY: IT’S THE OFFICIAL ONE]

⁶⁴ Thomas Jefferson to the Governor of Virginia, Patrick Henry, January 24, 1786, *PTJ*, 9:214.

⁶⁵ Jacob E. Cooke, *Tench Coxe and the Early Republic* (Chapel Hill: University of North Carolina Press, 1978), 70.

⁶⁶ Harrison M. Ethridge, “Governor Patrick Henry and the Reorganization of the Virginia Militia, 1784-1786,” *The Virginia Magazine of History and Biography* 85 (1977): 427-39.

⁶⁷ Harris & Nickols (Richmond) to Tench Coxe, November 12, 1785, Coxe Family Papers, Collection 2049, Historical Society of Pennsylvania [Hereafter CFP], Box 24, Folder 4; the 1784 reforms in the Virginia militia law held the requirement that the militia would eventually need weapons of a uniform size and caliber, but in the meantime allowed for militiamen to “keep by them the best arms and accoutrements they can get,” see “an act for

Likewise, when Shays' Rebellion threatened political stability in western New England, Clarke & Nightingale sold three hundred of Coxe's muskets to local militiamen for three dollars apiece.⁶⁸ In Georgia, American encroachments upon native lands led the governor to purchase five hundred of Coxe's arms to supply the state militia.⁶⁹ In New York, the elite militia unit headed by John Stagg, Jr. purchased two hundred of the best arms at four dollars per stand in order to outfit his light infantry company.⁷⁰ Coxe's bet on Revolutionary War surplus made him the arms dealer par excellence of the critical period.

As the prices and availability sporting pieces in the critical period indicates, the Revolutionary War surplus offered by Coxe catered to a very different market than strictly civilian arms. In 1788, the French diplomat Victor du Pont begged his brother in Paris to send him a double-barreled shotgun as "In New York one can only get English guns, single-barreled, very heavy and very dear – at least eight guineas for a tolerably good one."⁷¹ For Victor du Pont, a high quality fowler was not a matter of military necessity. Rather, arms were tools of leisure because "a gun is quite necessary if one passes part of the time, as I shall, in the country, or even here [in New York City] where one often goes shooting on the river." While imports of high quality, and expensive, arms shaped the civilian market, for Coxe, cheap surplus muskets were a sound investment given state laws requiring that militiamen arm themselves.

Coxe's direct business concern was a well-armed militia and it is no mere coincidence that his arguments in favor of the Constitution during the late 1780s reflected the importance of an armed citizenry to check the ability of the national government's ability to raise a standing army. Coxe argued that Americans had nothing to fear from a standing army because "The militia, who are in fact the effective part of the people at large, will render many troops quite

amending the several laws for regulating and disciplining the militia, and guarding against invasions and insurrections," William Waller Hening ed., *The Statutes at Large; being a collection of all the laws of Virginia, from the first session of the Legislature in the year 1619* (13 vols., Charlottesville: University Press of Virginia, 1969, 1819-23), 11:485. Invoices indicate that Coxe was one of the major arms dealers of the 1780, dealing with arms shipments of in the thousands; see for example, Clark & Nightingale (Providence) to Coxe & Frazier, July 20, 1786, CFP, Box 25, Folder 7; "Sale of Musquets by Coxe and Frazier" January 27, 1787, CFP Box 26, Folder 3.

⁶⁸ Clarke & Nightingale to Coxe & Fraizer, November 16, 1786, CFP, Box 25, Folder 13.

⁶⁹ Harris & Nickols to Coxe & Frazier, June 22, 1786, CFP, Box 25, Folder 5.

⁷⁰ John Stagg Jr. to Tench Coxe, November 12, 1786, CFP, Box 25, Folder 13; Clark & Nightingale to Coxe & Frazier, March 5, 1787, CFP, Box 26, Folder 6.

⁷¹ Victor du Pont to E. I. du Pont, New York, April 19, 1788, *Life of Eleuthère Irénée du Pont from Contemporary Correspondence*, B. G. Du Pont trans. (Newark: University of Delaware Press, 1923), 1:100.

unnecessary.”⁷² But in order to have an effective militia, the people needed to be well armed. Coxe continued with this argument in a later defense of the Constitution: “swords, and every other terrible implement of the soldier, are *the birth-right of an American*.”⁷³ The adoption of the Constitution secured Americans in their “birth-right” as the document arguably held the militia as the country’s primary means of defense. Rather than disarm the militia, as some antifederalists claimed, the federal government would instead seek to arm it through the creation of magazines, arsenals, and lucrative contracts – not to mention the possibility of an amendment to secure these rights. Coxe hoped that the public would see the added benefit of linking the interests of the states as they sufficiently armed their militias, binding the interests of private arms dealers and manufacturers with that of the people.

The Report on Manufactures and St. Clair’s Defeat

The two stands of American armament policy that emerged in the critical period, national ownership versus private enterprise, became a behind-the-scenes debate in the formation of Alexander Hamilton’s 1791 *Report on Manufactures*. Following the ratification of the Constitution and the election of George Washington, Hamilton soon became the country’s first Treasury Secretary. As part of his initial responsibilities, Congress requested that Hamilton prepare a report on the best method to create a domestic arms and munitions industry sufficient to render the United States independent of European imports. The final document, which Hamilton returned to Congress in December 1791, went well beyond Congress’ request for a report on military manufacturing. Instead, Hamilton introduced the final plank of his vision for effective governance. While Hamilton designed the reports on debt assumption and the national bank to stabilize the country’s credit, his *Report on Manufacturers* served several goals. The report proposed modest tariff increases to provide the fiscal resources necessary to support the expenditures of the national state, provided a robust defense for the importance of large manufacturing establishments in the country’s political economy, and endorsed government-owned production facilities to render the United States independent of other countries for

⁷² Tench Coxe, “An Examination of the Constitution of the United States” September 26-29, 1787, in *Friends of the Constitution: Writings of the “Other” Federalists, 1787-1788* Colleen A. Sheehan and Gary L. McDowell eds. (Indianapolis: Liberty Fund, 1998), 473.

⁷³ Tench Coxe, “To the People of the United States” *Philadelphia Gazette*, February 20, 1788.

military goods.⁷⁴ The fiscal and financial issues implicit in the *Report on Manufacturers* notwithstanding, Hamilton reinforced his belief that the only reliable measure for ensuring a national military mobilization was national control over the weapons acquisition process.

In constructing the *Report on Manufactures* Hamilton first turned to his subordinate, Tench Coxe, the Assistant Secretary of the Treasury. During the 1780s, Coxe had arrived at roughly the same conclusions as Thomas Jefferson regarding the preference for private contracting as opposed to public ownership. While his biographer held that Coxe's draft was an important predecessor to Hamilton's final report, John R. Nelson Jr., has convincingly shown that when it came to specific policy recommendations, Coxe's draft was substantially different from Hamilton's.⁷⁵ In order to create a national market for American-produced military goods, Coxe proposed protective tariff duties, prohibitions on critical imports, an abolition of the duties on the coastal trade, government assisted internal improvements, and direct loans and land grants to manufacturing entrepreneurs to aid in capital creation. For Coxe, privately owned American manufacturers should supply the U.S. with weapons in a time of war. Because of the elastic shifts in supply and demand during periods of peace, the government would have to step in and encourage private producers through favorable contracts.⁷⁶

Hamilton mostly rejected Coxe's suggestions out of hand and included his own favored policies in the report submitted to Congress. Far from a report that focused solely on the armaments industry, as Congress had originally intended and as Coxe had actually done, Hamilton authored a wide ranging white paper weighing the pros and cons of different forms of governmental intervention in the American market. But, the *Report on Manufactures* did include four key provisions that reflected his earlier 1783 committee report on the military peace establishment. First, Hamilton addressed the fact that even though the arms industry had flourished during the Revolution, during the 1780s it "diminished for want of demand."⁷⁷ Second, the industry was so essential for national security that "Every nation... ought to endeavor to possess within itself all the essentials of national supply."⁷⁸ Third, Congress should

⁷⁴ Nelson, *Liberty and Property*, 48.

⁷⁵ Cooke, *Tench Coxe and the Early Republic*, 181-189; Nelson Jr., *Liberty and Property*, 41-42.

⁷⁶ "Tench Coxe's Draft on the Report on the Subject of Manufactures," *PAH*, 10:16-17.

⁷⁷ Alexander Hamilton, *Report on Manufactures*, *PAH*, 10:283.

⁷⁸ Hamilton, *Report on Manufactures*, *PAH*, 10:291.

remember the experience of the Revolution when the Continental Army mostly relied on the private contract system:

The extreme embarrassments of the United States during the late War, from an incapacity of supplying themselves, are still matter of keen recollection: A future war might be expected again to exemplify the mischiefs and dangers of a situation, to which that incapacity is still in too great a degree applicable, unless changed by timely and vigorous exertion. To effect this change as fast as shall be prudent, merits all the attention and all the Zeal of our Public Councils; 'tis the next great work to be accomplished.⁷⁹

Finally, Hamilton suggested a solution: create nationally owned factories.

According to Hamilton, the armament industry was too important for the security of the country to leave in the hands of private contractors. Support for domestic producers of firearms through contracts could work in the short-run. In the long-run though, the federal government would have to create its own armories that would operate in peacetime in order to ensure a steady supply during war. Hamilton then asked Congress “whether manufactories of all the necessary weapons of war ought not to be established, on account of the Government itself. Such establishments are agreeable to the usual practice of Nations and that practice seems founded on sufficient reason.”⁸⁰ Hamilton wished to shape the United States in the mold of the major fiscal-military states of Europe, where arms and munitions manufacturing was concentrated in royal arsenals such as the Tower of London, Woolwich, Waltham Abbey, and Faversham in Great Britain, the Tula Arsenal in Russia, and St. Etienne, Charleville, and Essone in France.

Hamilton’s rationale in support of government-owned facilities was that the public simply could not trust private producers of military arms to provide for a national defence. “There appears to be an improvidence, in leaving these essential instruments of national defence to the casual speculations of individual adventure; a resource which can less be relied upon, in this case than in most others.”⁸¹ Harkening back to classical republican ideals, Hamilton insisted that private interest simply could not be trusted to coincide with that of the public during wartime. Hamilton rejected Coxe’s firm protectionist measures to channel the armament industry into private hands because military goods were not “objects of ordinary and indispensable private consumption or use.” Instead, Hamilton classed military goods as items which

⁷⁹ Ibid. 10:291.

⁸⁰ Ibid. 10:317.

⁸¹ Ibid. 10:317.

government should seek to manufacture for itself. “As a general rule, manufactories on the immediate account of Government are to be avoided; but this seems to be one of the few exceptions, which that rule admits.”⁸² In the case of armaments, the federal government could not rely upon private industry and would have to set up its own national armories. With the *Report on Manufactures*, Hamilton had authored the most significant early policy paper for American military industry.

Congress received Hamilton’s *Report on Manufactures* at the same time it heard about the Battle of the Wabash. The resulting Congressional investigation, which did not officially conclude until February 1793, came to the conclusion that the United States remained militarily unprepared, especially in the procurement of war matériel. This idea permeated not just the halls of power, but spread throughout the wider world of print politics in the early republic. The popular captivity narrative, *The Remarkable Adventures of Jackson Johonnet of Massachusetts* brought home to American readers the idea that the U.S. Army lacked basic functional equipment. The story’s protagonist, a sergeant in the 2nd U.S. Infantry Regiment present at the battle, credited his escape to providence and the frequent discharge of his musket. Other soldiers simply threw away their weapons – either out of fear, to run away more quickly, or, as the Congressional report would later suggest: defectiveness.⁸³ Hamilton’s vision and his warning, as expressed in the *Report on Manufactures*, was about to have a full validation by the House of Representatives.

Prior to the formation of the House Select Committee on St. Clair’s Defeat, the initial evidence provided by St. Clair and Knox helped define the public and private debate.⁸⁴ In his public letter explaining the loss of his army, St. Clair pointed to the army’s contractors whereas Knox pointed to St. Clair’s failure to move north from Fort Mifflin before the fall. According to the two men, the other was fully to blame. Former Continental Army observers of the debate, such as Henry Lee and Otho H. Williams, believed that the “true causes of the defeat”

⁸² Hamilton, *Report on Manufactures*, *PAH*, 10:317.

⁸³ The first publication of the captivity narrative was in *Beer’s Almanac and Ephemeris of the Motion of the Sun and Moon, the true places and Aspects of the Planets; the rising, setting and Southing of the Moon, for the Year of our Lord 1793* (Hartford: Hudson & Goodwin, 1792). The narrative was then republished in both book and pamphlet form. Between 1793 and 1816, nine separate editions of the narrative were published across the union. More significantly for the reading public, the narrative was included in Mathew Carey’s 1794 *Affecting History*, a compilation of captivity narratives. “Causes of the Failure of the expedition Against the Indians, in 1791, Under the Command of Major General St. Clair,” *American State Papers, Military Affairs*, 1:36.

⁸⁴ To the United States House of Representatives, Dec. 12, 1791, *PGW: Pres. Ser.*, 9:274-9.

were a result of both accusations leveled by St. Clair and Knox, not to mention the effectiveness of Indian soldiers.⁸⁵ In Congress, a lengthy discussion ensued over the proper form the army should take going forward. One of the major themes that emerged from the debate, especially among pro-administration figures, was that Knox was perhaps not the right figure to lead the war department. Senator Benjamin Hawkins explained his view that as long as Knox was in charge and providing contracts to people that he had personal business dealings with, such as William Duer, he would have to vote against empowering the military establishment.⁸⁶ The newspaper press was usually not as nuanced in their approach as Hawkins. One report drawn from the Congressional debate in January implicitly took St. Clair's side when it alleged that the Indians were "plentifully supplied" with arms and ammunition from the British posts on the lakes, compared to the Americans who relied upon supplies transported over land from Philadelphia.⁸⁷ Another editorial from anti-war New England, signed "Braddock," took a swipe at Knox and alleged that the war was only to enrich "the pride of a few ambitious *overgrown* individuals" who sought to profit from the sale of western lands.⁸⁸

As the public debated the causes of St. Clair's Defeat in the newspaper press, and political elites discussed it in person and through correspondence, Congress took concrete actions to expand the fiscal and military powers of the federal government. On March 5, Congress passed an act that authorized manpower increases in the existing two regiments, raised three additional infantry regiments with attached squadrons of light dragoons, and established a general staff to aid with logistics.⁸⁹ In order to pay for the expanded army, Congress authorized additional import duties – largely adopting Hamilton's proposals in the *Report on Manufactures* – and adopted additional excises on distilled spirits.⁹⁰ Congress did not seek to place blame on

⁸⁵ Otho H. Williams to Hamilton, March 5, 1792, *PAH*, 11:108-9; Henry Lee to James Madison, Jan. 17, 1792, *The Papers of James Madison*, William T. Hutchinson et. al. eds. (17 vols., Chicago: University of Chicago Press, 1962-1991), 14:189; Lee to Madison, Jan. 29, 1792, *PJM*, 14:203-5. For Henry Lee's forwarding of information to Washington regarding the army's defeat, which makes no mention either of the army's late start or of supply deficiencies, see Lee to Washington, Dec. 4, 1791, *PGW: Pres. Ser.*, 9:249-50; Washington to Lee, Dec. 14, 1791, *PGW: Pres. Ser.*, 9:285-6.

⁸⁶ Benjamin Hawkins to Washington, Feb. 10, 1792, *PGW: Pres. Ser.*, 9:556.

⁸⁷ *The Federal Gazette and Daily Advertiser*, Jan. 30, 1792; George Hammond to Jefferson, Jan. 30, 1792, *PTJ*, 23:90-1.

⁸⁸ *Boston Independent Chronicle*, Dec. 22, 1791.

⁸⁹ "Protection of the Frontiers of the United States by raising additional Troops," *Statutes at Large*, 1:241-3.

⁹⁰ "Duties on Merchandise," *Statutes at Large*, 1:259-64; "Duties on Spirits distilled within the United States," *Statutes at Large*, 1:267-71. For an analysis of the Congressional debate over the tariff see Clarfield, "Protecting the Frontiers," 459-63. For an analysis of the effects of the *Report on Manufactures* upon the 1792 tariff rates see Irwin, "The Aftermath of Hamilton's "Report on Manufactures," 808-12.

any federal institution by adopting these laws, rather they addressed the immediate problems of mobilizing sufficient manpower and then paying for it. Assessing responsibility for the defeat would rest with the inquest set up for the task.

Even before it sat down to work, the House select committee had a strong bias in favor of Hamilton. After the House voted to create the inquest into the executive branch's handling of St. Clair's military expedition, the committee began its work interviewing relevant witnesses in a setting open to the public. The committee itself had a pro-administration bent with Federalists Thomas FitzSimons, John Steele, John Vining, Theodore Sedgwick, and Abraham Clark. The anti-administration members were William Branch Giles, who had first proposed the inquest, and John F. Mercer. Although there are no records showing that Hamilton influenced the committee behind the scenes, many of the Federalists on the committee had a strong personal relationship with the treasury secretary and it is likely that they would have discussed matters with him.⁹¹

The initial inquest was relatively short lived, relied primarily upon St. Clair's written testimony, and unequivocally laid the blame upon the war department's private contract system. As the House had not approved the select committee until relatively late in its session, the Congressmen had numerous bills to put the finishing touches upon in addition in carrying out their role in figuring out what had transpired in the lead-up to the Battle of the Wabash. St. Clair submitted a lengthy report that the committee ultimately found credible.⁹² In it, St. Clair's most damning argument was that in the summer of 1791 he had to turn Fort Washington into "a large manufactory on the inside."⁹³ None of the munitions forwarded to the army had been manufactured into cartridges, so St. Clair had to transform one of the blockhouses into a laboratory – a very dangerous situation for the fort considering the threat of explosion. The arms that Hodgdon forwarded to the army, taken from the Revolutionary War surplus stored in Philadelphia, were of such poor quality that St. Clair also ordered the construction of an armory in the fort where the arms could be repaired. It took all summer to manufacture the cartridges and repair the arms at Fort Washington, which cut into the campaign season. In September 1791, Knox wrote to St. Clair, with orders from the President to move out, which the general followed

⁹¹ For Hamilton's personal relationship with the various members of the committee see, Hamilton to Steele, Oct. 15, 1792, *PAH*, 12:567-8; Hamilton to FitzSimons, Nov. 27, 1794, *PAH*, 17:394-5; Sedgwick to Hamilton, Aug. 26, 1783, *PAH*, 15:285-6.

⁹² Arthur St. Clair, *A Narrative of the Campaign Against the Indians, Under the Command of Major General St. Clair* (Philadelphia: Jane Aiken, 1812), 1-58.

⁹³ St. Clair, *Narrative*, 13.

despite his reservations.⁹⁴ By the time the army faced the Miami, Shawnee, and Delaware on the banks of the Wabash, they had working weapons, no thanks to the contractors but rather to the soldiers who had acted as a “corps of artificers.” The defeat then, in St. Clair’s estimation, was due to the fact that the army was delayed so long at Fort Washington over the summer. The troops had fought bravely, even if they had been beaten on the field of battle. The defeat was due to the War Department.

When the House inquest released its initial report on May 8, 1792, it completely exonerated St. Clair and placed the blame on Knox and Hodgdon. According to the report no blame could be “imputed” to the general’s leadership. Rather, Hodgdon’s contractors had supplied the army with poor-quality, expensive, goods. The quartermaster did not ensure that what goods that were produced made it into the army’s hands in a timely manner, and the secretary of war had ordered the army to move despite the ending of the campaigning season.⁹⁵ There were not enough basic stores such as cartridge boxes, and the ones that the army did have were of a poor quality. The gunpowder was likewise bad and a good portion of the arms were “totally out of repair.” The committee resolved that the House should then take up the report when it reconvened in the fall.

The laws that Congress passed on the same day as the initial committee report marked an important victory for Hamilton’s vision of American state power. Earlier, Congress had agreed to strengthen the standing army and pass additional tariffs and excise taxes despite opposition from normally pro-administration New England. The Militia Act of 1792 provided the first federal framework for a national militia that the executive branch could call out to meet emergencies. It required “every able-bodied white male citizen” between the ages of 18 and 45 to enroll in a state militia and mandated that they provide themselves with arms and munitions. Most importantly for the centralizing tendencies of Hamilton’s plan, the Militia Act required the enrolled militia to have muskets of a uniform caliber by 1797. While it might have been possible to independently source uniform arms from a number of small manufacturers or import merchants, the mandate for a uniform caliber only made it a matter of time before the federal government would have to institute a national armory. In a similar measure, Congress (not to mention the wider public perception) clearly thought that Knox had failed in one of his primary

⁹⁴ Chalou, “St. Clair’s Defeat,” 11.

⁹⁵ *American State Papers, Military Affairs*, 1:36-9.

responsibilities. He was no longer to be trusted with letting contracts. Therefore, Congress delegated all of the war department's contracting authority to the treasury, and further cemented Hamilton's patronage power in the federal government.⁹⁶

Henry Knox and Samuel Hodgdon, for their part, quickly went on the offensive against the inquest's report and received support from their network of military contractors and supply agents. On May 12, 1792, Knox forwarded a copy of the report to Hodgdon, claimed that committee members had been prejudiced against him, and asked his subordinate if he had any information relating to the allegations of poor quality gunpowder.⁹⁷ Hodgdon, soon thereafter, assured William Knox – the secretary's son and one of the suppliers of the expedition – that he would help vindicate his father's character at the next session of the House.⁹⁸ John Harris, the war department store keeper at Fort Washington, in turn assured Hodgdon that the quartermaster had been ill-treated by Congress and should be able to clear his name as he had heard of “no complaint” from the troops.⁹⁹ At the same time, Hodgdon compiled extensive testimony from the private contractors in Philadelphia with whom he did business and they all, unsurprisingly, testified that they had not sold the federal government faulty goods or performed shoddy work.

When the House reconvened in November and reopened the House Select Committee, Knox and Hodgdon were ready with their counterattack. Initially, there was a significant debate over the propriety of reopening the inquest into St. Clair's defeat. The original members of the committee, including FitzSimons, Giles, and Clark all believed that they had done a satisfactory job, while some of the leading anti-administration members such as James Madison and Elbridge Gerry argued that the House owed the public a duty to complete the investigation to its fullest extent.¹⁰⁰ Personal calls by Knox for vindication, and to question witnesses himself, convinced the House to reappoint the committee. Once the House agreed to reopen the inquest, the speaker laid on the table a lengthy report from Knox (which no longer survives) and a rebuttal and testimony compiled by Samuel Hodgdon.

Hodgdon's memorial to the select committee reflected the righteous indignation of a civil servant who believed that he had been personally wronged in a rush to assign blame and offered

⁹⁶ *Statutes at Large*, 2nd Congress – 1st Session, 1:271-74, 279-81.

⁹⁷ Knox to Hodgdon, May 12, 1792, *The Papers of the War Department, 1784 to 1800* [wardepartmentpapers.org/document.php?id=6698], hereafter *PWD*.

⁹⁸ Hodgdon to William Knox, June 29, 1792, *PWD*.

⁹⁹ John Harris to Hodgdon, July 26, 1792, *PWD*.

¹⁰⁰ *Annals of Congress*, 2nd Congress – 2nd Session, 679-89.

Congress a full-throated defense of the private contract system. Hodgdon reminded the committee that he had been involved with all aspects of military supply since 1777 and there had never been any prior complaints about his department. The memorial refuted the inquest's May report, point by point, by citing sworn testimony from a number of army officers and contractors. All of the goods from pack saddles to camp kettles were of good quality. Harris, who had earlier offered Hodgdon his unreserved support, testified that the military stores delivered to Fort Washington were of the highest quality. On the subject of arms, Hodgdon produced accounts from the Philadelphia gunsmiths Joseph Perkins, Abraham Morrow, and John Nicholson who all testified that they had cleaned and repaired "new French arms." Major Isaac Craig, the assistant quartermaster at Pittsburg, backed up these private contractors because when he received the arms "not one was *totally* unfit for Service." By marshalling this testimony, Hodgdon made a careful argument about the importance of individual self-interest for the workings of the state. According to Hodgdon, "the eagle eye of private interest" was the best way to conduct business in a large continental empire where the agents of the federal government had to discern among competing interests from such places as Pennsylvania, Virginia, and North Carolina.¹⁰¹

In addition to considering Hodgdon's memorial, the reconstituted select committee interviewed a number of other army officers including the inspector of the army, Colonel Francis Mentges; the former commander, Josiah Harmer; the officer who commanded the rear-guard at the Battle of the Wabash, David Zeigler; an ensign in the Kentucky militia, Benjamin Pope; the captain of a battalion of levies, Jacob Slough; a regimental quartermaster, Robert Semple; and two of St. Clair's aides-de-camp, Louis-Hippolyte-Joseph the comte de Malartic, and Ebenezer Denny. The testimony that these officers gave only muddled the central question as to who, or what, was to blame. Inspector Mentges backed up the central points made by *both* St. Clair and Knox. The arms that arrived at Fort Washington in the summer of 1791 were out of repair but played no role in delaying the departure of the army.¹⁰² Ziegler, who had served with St. Clair in the Revolution, also testified that Fort Washington had been turned into a virtual arsenal, but the real delay in the march was because the army lacked axes to cut a path through the forest.¹⁰³

¹⁰¹ Memorial of Samuel Hodgdon, November 1792, *Congress Investigates*, 1:54-63.

¹⁰² Extracts from the Minutes of the Committee, Dec. 1792 – Jan. 1793, *Congress Investigates*, 1:65. On Mentges see, David A. Clary and Joseph W. A. Whitehorne, *The Inspectors General of the United States Army, 1777-1903* (Washington: U.S. Government Printing Office, 1987), 63.

¹⁰³ For Ziegler's background in the Continental Army see George A. Katzenberger, *Major David Ziegler: Biography of the First Mayor of Cincinnati* (Columbus: F. J. Heer Printing Co., 1912).

Pope, a militia officer, testified that the weapons were “tolerably good” but that the gunpowder was “very bad.” In short, although the additional testimony may have moderated some of the strong findings of the May report, it did not significantly alter the master narrative constructed by St. Clair and Knox earlier in the year.

On February 15, 1793, the House Select Committee on St. Clair’s Defeat issued its final report on what transpired on the banks of the Wabash. The report tempered some of its claims regarding the complete failure of Knox and Hodgdon to supply the army, but continued to maintain that logistical deficiencies were the root cause of St. Clair’s Defeat.¹⁰⁴ The quantity and quality arms, for example, were still insufficient for arming any future militia mobilizations. These findings, in conjunction with the institutional changes made the previous spring, only put further pressure upon the federal government to continue its scheme of centralizing military supply under the aegis of the treasury department and instituting state control over the production of small arms. As Second Congress ended its business, it appeared as if Washington and Hamilton’s vision for greater central control over military contracting, as expressed in their earlier memoranda and official reports, had won out in the American political realm.

¹⁰⁴ *American State Papers, Military Affairs*, 1:41-4.